



Bipartisan Stimulus Package: Questions and Answers On Impact on American Families

How will the plan affect working families struggling to get into the middle class? What happened with Food Stamps and Unemployment?

The stimulus deal provides a \$900 check to a single mother with two children making \$15,000. That is far more than the \$352 increase that a single mother with two children would have gotten under a Food Stamp increase (of \$4 billion) in 2008.

We fought to include a range of help for working families, including Food Stamps and Unemployment Insurance. But Republicans balked. The Farm Bill provides an opportunity for a permanent increase in Food Stamps totaling \$4 billion. Congress will be developing plans for further assistance, including Unemployment Insurance, Food Stamps, state and local assistance and Medicaid.

Why is getting relief to working people beyond income taxpayers a key victory? How is this a good deal for America's working families and for our economy?

Most Republicans and the White House have been ardently opposed to providing tax rebates for families who pay Social Security taxes, sales taxes, and other excise taxes – insisting that the rebate go only to those who pay federal income taxes. Further, most Republicans and the President were committed to making his tax cuts for the richest Americans permanent in this stimulus.

But we were able to get Republicans to drop permanent tax cuts for the wealthiest Americans and agree to \$28 billion in tax relief for 35 million families who work hard but make too little to pay income taxes -- families that the President's original proposal did not include. This will provide recovery rebate to help more than 19 million families with children.

In fact, families which earned at least \$3,000 in 2007 will get at least \$300 per single and \$600 per couple, plus \$300 per child. That means \$900 check to a single mother with two children making \$20,000.

Economist Mark Zandi of Moody's Economy.com estimates that a tax rebate which includes low- and moderate-income working families is 24 percent more effective as stimulus than a rebate that leaves these families out.

What does this plan do for families with children?

The measure provides a \$300 per child recovery rebate for families that earned at least \$3,000 in 2007 (for children under 17). This will help 39 million American families with 65 million children. This will cover 87 percent of all American children.

How will seniors benefit from the plan?

More than 13 million seniors will get a tax rebate. Nine out of ten seniors with earnings will be eligible for the tax rebate. In addition, seniors who pay income taxes will be eligible for a rebate. Democrats fought hard to negotiate a compromise that covers as many Americans as possible, including seniors. And we believe this package will jumpstart the economy benefiting all Americans.

How does the recovery rebate program work?

Single filers (and married filers filing separately) would receive a tax rebate of \$600 or their net income tax liability, whichever is less. For single filers (and married filers filing separately) who have at least \$3,000 of earned income, the minimum tax rebate they will receive would be \$300

Married filers filing jointly would receive a tax rebate of \$1,200 or their net income tax liability, whichever is less. For married filers who have at least \$3,000 of earned income, the minimum tax rebate they will receive would be \$600.

Each rebate will be increased by \$300 for each child under the age of 17. There is no limitation to the number of children eligible per filer.

For single filers (and married filers filing separately), the total rebate would phase out by five percent of adjusted gross income over \$75,000 (roughly \$50 of the total rebate for every \$1,000 of income over \$75,000).

For married filers filing jointly, the total rebate would phase out by five percent of adjusted gross income over \$150,000 (roughly \$50 of the total rebate for every \$1,000 of income over \$150,000).

*****ALL AMOUNTS BASED ON 2007 TAX RETURNS*****